

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: BUCHANAN PRODUCTION COMPANY

RELIEF SOUGHT:

GAS AND OIL BOARD ORDER IN
VGOB DOCKET NO. 92-1117-0284
FOR THE REPOOLING OF
INTERESTS IN DRILLING UNIT
NO. T-17/B PURSUANT TO
VA. CODE ANN. § 45.1-361.22
FOR THE PRODUCTION OF
OCCLUDED NATURAL GAS PRODUCED
FROM COALBEDS AND ROCK STRATA
ASSOCIATED THEREWITH
INCLUDING GAS FROM SHORT
HOLES AND UNSEALED GOB
(herein collectively referred
to as "Coalbed Methane Gas"
or "Gas")

LEGAL DESCRIPTION:

DRILLING UNIT NUMBER T-17/B
(Hereafter "Subject Drilling Unit")
IN THE OAKWOOD COALBED GAS FIELD II
HURRICANE MAGISTERIAL DISTRICT,
VANSANT QUADRANGLE,
BUCHANAN COUNTY, VIRGINIA
(the "Subject Lands" are more
particularly described on Exhibit
"A", attached hereto and made a
part hereof)

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on March 21, 1995, Dickenson Conference Room, Southwest Virginia 4-H Center, Abingdon, Virginia.
2. Appearances: Mark A. Swartz, attorney of Kay, Casto, Chaney, Love and Wise, appeared for the Applicant; and Sandra B. Riggs, Assistant Attorney General was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Va. Code Ann. §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting an update of its search of the reasonably available sources to determine the identity and whereabouts of all gas or oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as having ("owner") or claiming ("claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to all such parties so identified, including those whose interests were pooled pursuant to the Original Pooling Order and are being repooled pursuant to this Order (herein "Modification Order"), (hereafter

sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) and who are the persons entitled by Va. Code Ann. §§ 45.1-361.19 and 45.1-361.22 to notice of this Application; and (3) that except for the owners or claimants of Tract 1, that the persons set forth in Exhibit B hereto are persons identified by applicant through its continued due diligence who may be owners or claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands, who have not heretofore agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests. Further, the Board has caused notice of this hearing to be published as required by Va. Code Ann. § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: Exhibit A annexed to Original Pooling Order is deleted in toto and replaced by the Exhibit A attached hereto which shows the results of a replatting of the Subject Drilling Unit and reflects the fact that upon such replatting Tract 1 on the original plat is now outside of Subject Drilling Unit. The term "Tract 1" used hereinafter refers to Tract 1 on Exhibit A to the Original Pooling Order. Based on the revised plat, Exhibit B of the Original Pooling Order is deleted in toto and replaced with Revised Exhibit B attached hereto which reflects the adjusted percentages of interests of the owners or claimants remaining within Subject Drilling Unit. The terms "Exhibit B hereto" and "Exhibit B" as used hereinafter refer to the Revised Exhibit B submitted at the March 21, 1995 hearing.

5. Dismissals: The owners or claimants of Gas interests in Tract 1 who are identified by name in Exhibit B hereto.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code Ann. § 45.1-361.22, including the applicable portions of Va. Code Ann. § 45.1-361.21, the Board amend the Original Pooling Order to repool all the rights, interests and estates in and to the Gas in Subject Drilling Unit, which, with the exception of the owners or claimants of Tract 1, includes the pooling of the interests of the known and unknown persons named in Exhibit B hereto, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from the Subject Drilling Unit established for the Subject Formation underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate CONSOL Inc. as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) Pursuant to Va. Code Ann. § 45.1-361.21.C.3, CONSOL Inc. (hereafter "Unit Operator") is redesignated as the Unit Operator authorized to drill and operate the coalbed methane gas wells in the Subject Drilling Unit, subject to the permit provisions contained in Va. Code Ann. § 45.1-361.27 et seq.; to the Oakwood Coalbed Gas Field I Order OGC 3-90, dated May 18, 1990, as amended; to the Oakwood Coalbed Gas Field II Board's Order 91-1119-0162 effective as of December 17, 1992, as amended; to §§ 480-05-22.1 et seq., Gas and Oil Regulations; and to §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, with the exception of the owners or claimants of Tract 1, persons listed on Exhibit "B", attached hereto and made a part hereof, their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All coal seams below the Tiller seam and associated strata Depth of Well: Approximately 2,000 feet	Approximately 80-acre square drilling unit	As contemplated by the Application as filed and/or amended and/or as authorized under Paragraph 7.8. of VGOB 91-1119-0162, as amended	Oakwood Coalbed Gas Field II for Coalbed Methane Gas including Short Hole Gas and Unsealed Gob Gas	VGOB Nos. 91-1119-0162, 92-0216-0336; 93-0316-0349; and VGOB 92-1117-0284

For the Subject Drilling Unit
underlying and comprised of the Subject
Land referred to as:

Unit Number T-17/B
Buchanan County, Virginia

Pursuant to the Board's Order No. VGOB 91-1119-162, as amended, the Board has adopted the following method for the calculation of production and revenue and allocation of allowable costs for short hole and unsealed gob production of Coalbed Methane Gas dependent upon the particular long wall mining plan applicable to each 80-acre drilling unit.

The designated operator of any 80-acre drilling unit or units within the boundaries of which any long wall panel which has been isolated by the driving of entries is located and from which Unsealed Gob Gas, Short Hole Gas or Gas from any Well authorized by the Code of Virginia is produced, shall calculate production and revenue based upon the mine plan as implemented within each affected 80-acre drilling unit and in particular, based upon the mineral acreage, as platted upon the surface, in each 80-acre drilling unit actually contained within a long wall panel as depicted by said mine plan. Except as otherwise provided herein, a copy of the pertinent portion of the mine plan being utilized to calculate production, revenue and costs from any affected 80-acre drilling unit shall be filed of record with the Board prior to the payment of any revenue based upon such calculations. The formula or division of interest for production from any 80-acre drilling unit affected by a long wall panel and from any separately owned tract in any such 80-acre unit shall be calculated as follows:

- 7.1. For Short Hole Gas - The amount of production produced from and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected unit and the long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.
- 7.2. For Unsealed Gob Gas - The amount of production produced from and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected unit and the long wall panel, bears to the total

mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.

- 7.3. i. For Gas from Any Well Located in a Long Wall Panel. - After actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, the amount of Gas produced from such a well and attributed to each 80-acre drilling unit shall be the ratio (expressed as a percentage) that the amount of mineral acreage, when platted on the surface, which is both in the affected 80-acre drilling unit and the isolated long wall panel, bears to the total mineral acreage, when platted on the surface, contained within the entire long wall panel affecting such 80-acre drilling unit.

ii. Prior to the actual commencement of coal mining operations by the driving of entries and completion of isolation of a long wall panel, gas from any well located in a proposed long wall panel shall be produced from and allocated to only the 80-acre drilling unit in which the well is located.

8. Election and Election Period: Except for the owners or claimants within Tract 1, in the event any Gas owner or claimant named in Exhibit B hereto, whose Gas interests are being pooled or repooled by this Order, does not reach a voluntary agreement to share in the operation of the Subject Drilling Unit at a rate of payment mutually agreed to by said Gas owner or claimant and the Applicant or Operator, then such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Except for the owners or claimants within Tract 1, any Gas owner or claimant named in Exhibit B hereto who does not reach a voluntary agreement with the Applicant or Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 (herein "Allocable, Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Allocable, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Allocable, Completed-for-Production Panel Costs for the Subject Drilling Unit are as follows:

Allocable, Completed-for-Production Panel Costs:

Panel VP8EM1EASTD

\$ 299,017.77

A Participating Operator's proportionate cost hereunder shall be the total of the results obtained by multiplying the Participating Operators' "Interest to be Pooled by VGOB 95-0321-0493" as set forth in the fifth column of Exhibit B, times Panel VP8EM1EASTD's Allocable Completed-for-Production Panel Costs set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Total Allocable, Completed-for Production Panel Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, except for the owners or claimants within Tract 1, any Gas owner or claimant named in Exhibit B hereto who does not reach a voluntary agreement with the Applicant or Operator may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any well development covered by this Order multiplied by the Gas owner's or claimant's Undivided Net Interest or proportional share of said production [for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person] as fair, reasonable and equitable compensation to be paid to said Gas owner or claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing Gas owner or claimant in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, except for the owners or claimants within Tract 1, any Gas owner or claimant named in Exhibit B hereto who does not reach a voluntary agreement with the Applicant or Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Applicant until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B hereto who is entitled to make an election pursuant to Paragraph 9 above does not reach a voluntary agreement with the Applicant or Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination or ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Allocable, Completed-for-Production Panel Costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interest, and claims the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Formations in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Applicant such person's right, interests, and claims in and to said well, in Subject Formation in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): CONSOL Inc., be and hereby is redesignated as Unit Operator authorized to drill and operate any well in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code Ann §§ 45.1-361.27 et seq.; §§ 480-05-22.1 et seq., Gas and Oil Regulations; and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

CONSOL Inc.
P. O. Box 947
Bluefield, VA 24605
Phone: (703) 326-6000
Fax: (703) 326-6389
Attn: Leslie K. Arrington

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any one well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums then payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referred to herein.

Upon completion of any well whose costs comprise part of the Estimated Completed-for-Production Costs set forth in Paragraph 9.1 above, and within ninety (90) days after production into the pipeline is obtained and restoration of the location is completed, the Operator shall file with the Board a revised exhibit reflecting the actual, Completed-for-Production Costs for the subject Drilling Unit.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
Trust Department
c/o Premier Bankshares Corporation
29 College Drive; P. O. Box 1199
Bluefield, VA 24605-1199
Telephone: (703) 322-2242
Fax: (703) 322-2766

16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Va. Code Ann. §45.1-361.21.D, Code of Virginia, 1950 as amended, and said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code Ann. § 45.1-361.21.D.

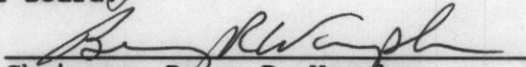
16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment of other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code Ann. §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent

relinquishes such funds as required by law or pursuant to Order of the Board.

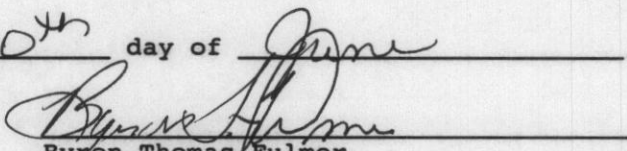
17. Special Findings: The Board specifically and specially finds:
 - 17.1. Applicant is a Virginia general partnership comprised of Appalachian Operators, Inc., and Appalachian Methane, Inc., and is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - 17.2 Applicant delegated to OXY USA Inc., authority to explore, develop and maintain the properties and assets of Applicant now owned or hereafter acquired, which delegation was evidenced by resolution of the management committee of Applicant. Thereafter, OXY USA, Inc. resigned as Professional Manager of the Applicant, and by Board action taken on September 21, 1993, the Board transferred the right to operate Subject Drilling Unit from OXY USA, Inc. to CONSOL Inc. by naming CONSOL Inc. as the unit operator effective at the end of the day September 30, 1993. Further, CONSOL Inc. has accepted Applicant's delegation and has agreed to explore, develop and maintain the properties and assets of Applicant, and has consented to serve as coalbed methane gas well Unit Operator for Subject Drilling Unit and to faithfully discharge the duties imposed upon it as Unit Operator by statute and regulation, all as evidenced by the consent introduced as Exhibit 8;
 - 17.3 CONSOL Inc. is a Delaware corporation duly authorized to transact business in the Commonwealth of Virginia and is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 17.4 Applicant, Buchanan Production Company, claims ownership of gas leases, coalbed methane gas leases, and/or coal leases in Subject Drilling Unit as described in the Schedule of Property and Lease Information annexed to Exhibit A of the Application, and Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from coal seams below the Tiller seam in Unit Number T-17/B in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit "A";
 - 17.5 Applicant has proposed the drilling of three (3) wells on the Subject Drilling Unit to develop the pool of Gas in Subject Formations and production has heretofore commenced from Subject Drilling Unit. Exhibit G, Page 1 depicts Island Creek Coal Company's VP-8 Mine works underlying Subject Drilling Unit.
 - 17.6 The estimated total production from Subject Drilling Unit is 125 to 550 MMCF. The estimated amount of reserves from the Subject Drilling Unit is 125 to 550 MMCF.
 - 17.7 Respondents are listed on Exhibit "B". With the exception of those persons listed after the heading "Tract 1"), set forth in Exhibit "B" is the name and last known address of each person identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased his Gas interests to the Applicant or the Unit Operator or agreed to voluntarily pool his interests in Subject Drilling Unit for its development and was named as a Respondent in the Original Pooling Order, but whose interests as set forth in the Original Pooling Order are affected by this Application.

- 17.8 Subsequent to entry of the Original Pooling Order, Applicant determined that Respondent, Ira Gordon Ratliff, had filed for bankruptcy, In Re: Bankruptcy Case No. 7-92-02254, Chapter 13 in United States Bankruptcy Court for the Western District of Virginia, Big Stone Gap Division. Applicant sought and was granted relief from the automatic stay in the bankruptcy proceeding with regard to this Application, as evidenced by Order entered June 7, 1995.
- 17.9 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above;
- 17.10 The Board has not heretofore entered an Order pooling interests for Subject Drilling Unit pursuant to its Oakwood Coalbed Gas Field I Order, OGCB No. 3-90.
- 17.11 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person listed and named in Exhibit B hereto the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth;
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Supplemental Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each Respondent named in Exhibit B pooled by this Order whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
21. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 22nd day of June, 1995,
by a majority of the Virginia Gas and Oil Board.

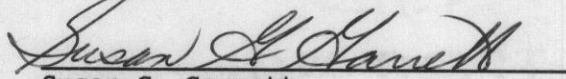

Chairman, Benny R. Wampler

DONE AND PERFORMED this 30th day of June, 1995,
by Order of this Board.


Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

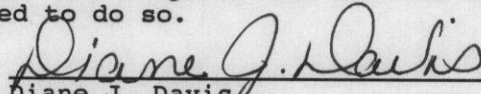
Acknowledged on this 22nd day of June, 1995,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Benny Wampler, being duly sworn did depose and say that he is Chairman
of the Virginia Gas and Oil Board, that he executed the same and was authorized
to do so.


Susan G. Garrett
Notary Public

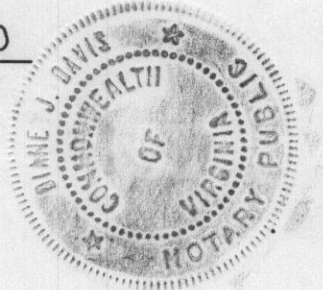
My commission expires 7/31/98

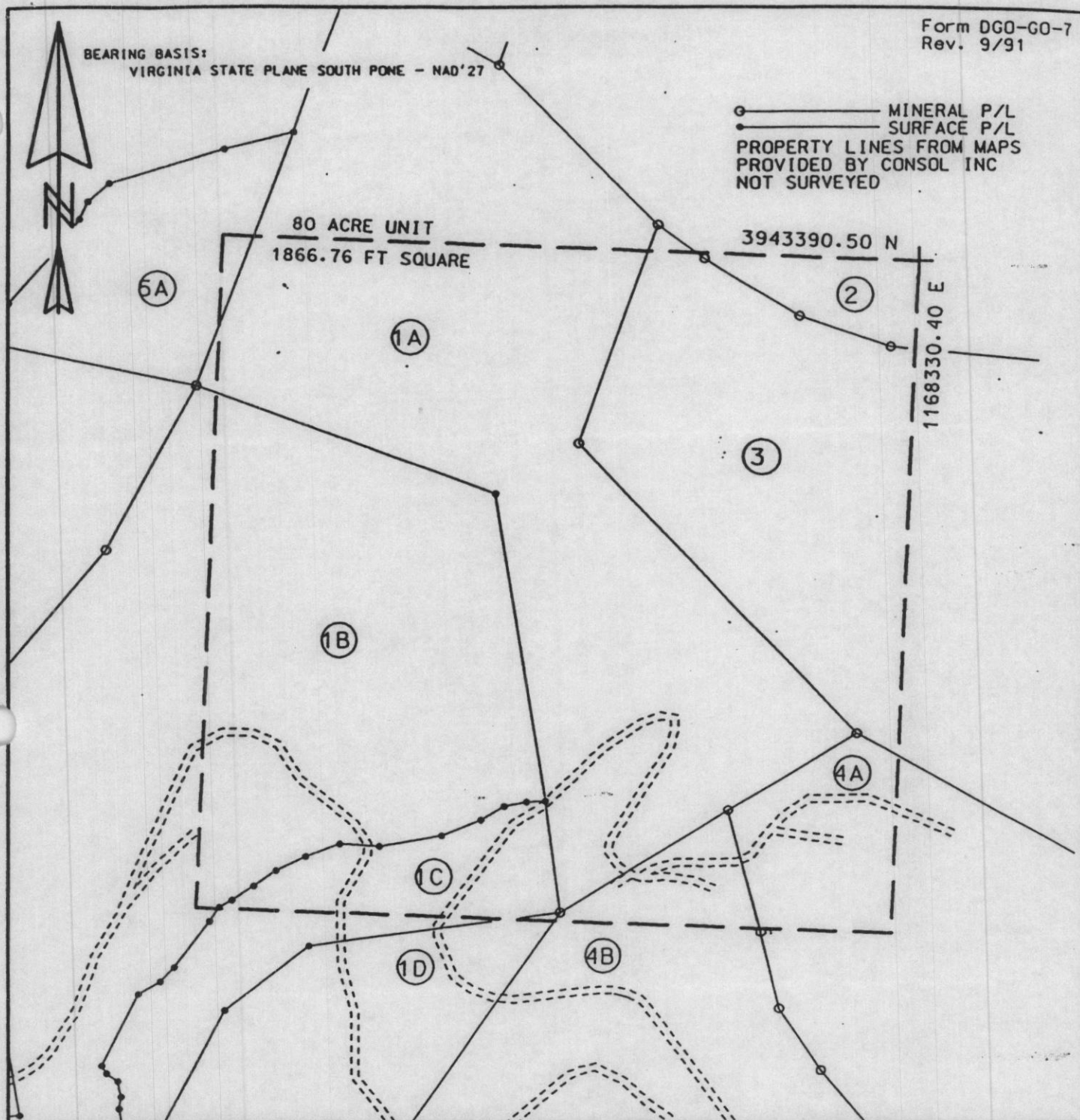
STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 30th day of June, 1995,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is
Principal Executive to the Staff of the Virginia Gas and Oil Board, that he
executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires 7/31/97





WELL LOCATION PLAT

Company CONSOL INC Well Name and Number _____Tract No. _____ Elevation _____ Quadrangle ANSANTCounty BUCHANAN District HURRICANE Scale: 1" = _____ Date _____This Plat is a new plat X; an updated plat _____; or a final location plat _____

+ Denotes the location of a well on United States Topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Randy O. Meyer

Licensed Professional Engineer or Licensed Land Surveyor

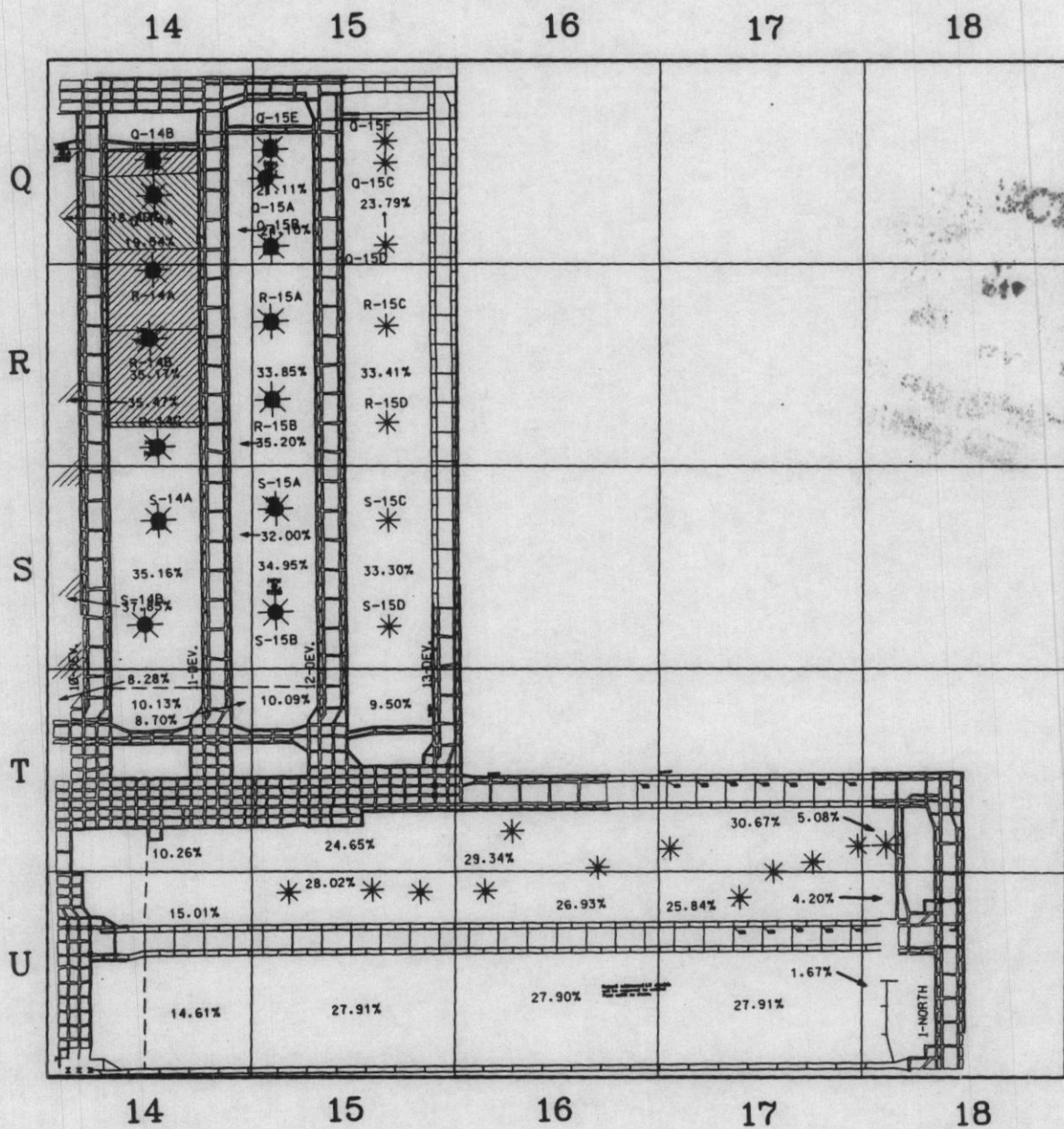
(Professional Seal)

Owner		Mineral Ownership	Net Acres In Unit	Undivided Net Int. In Unit %	Undivided Net Int. In VP8EM1EASTD At 13.088	Interest to be Pooled by VGOB-95/03/21-0493
Tract 4A						
(1)	Ira Gordon Ratliff Rt. 2 Box 50 Oakwood, VA 24631	Oil & Gas	4.350000	5.437500	0.711660	5.437500
Tract 4B						
(1)	Billy & Geneva Ratliff Rt. 2 Box 5 Oakwood, VA 24631	Oil & Gas	2.160000	2.700000	0.353376	2.700000
Tract 5A						
	JESSIE CHILDRESS HEIRS	Oil & Gas	0.230000	0.287500	0.037628	0.287500
(1)	Phyllis Everett 4472 Dike Road Winter Park, FL 32792		0.013939	0.017424	0.002280	0.017424
(2)	Eleanor Hawkins 2719 Brookwood Drive Knoxville, TN 37917		0.013939	0.017424	0.002280	0.017424
(3)	Louise & Lester Agee 7601 Bull Run Road Manassas, VA 22110		0.052727	0.065909	0.008626	0.065909
RESPONDENTS WHO HAVE NO INTEREST IN UNIT ORIGINALLY POOLED VGOB-92/11/17-0284						
Tract 1						
(4)	Cora S. Johnson 1054 Palm View Dayton Beach, FL 32119		0.003500	0.004375	0.000573	0.000000
(5)	Etta VanDyke c/o Nell Delp 240 Trinity Church Road North East Maryland 21901		0.003500	0.004375	0.000573	0.000000
(6)	Elmer Reedy 1470 Clayton Street Perryville, MD 21903		0.001750	0.002188	0.000286	0.000000
(7)	Dorothy & Bruce Sodolski 1309 Independence Drive Orange Park, FL 32065		0.001750	0.002188	0.000286	0.000000
(8)	Ernest Hurford ADDRESS UNKNOWN		0.000875	0.001094	0.000143	0.000000

Owner		Mineral Ownership	Net Acres In Unit	Undivided Net Int. In Unit %	Undivided Net Int. In VP8EM1EASTD At 13.088	Interest to be Pooled by VGOB-95/03/21-0493
(9)	Earl Hurford ADDRESS UNKNOWN		0.000875	0.001094	0.000143	0.000000
(10)	Leona & David Rose P.O. Box 106 Squire, WV 24884		0.000583	0.000729	0.000095	0.000000
(11)	Ovella Griggs 55 Brooks Land Elkton, MD 21921		0.000583	0.000729	0.000095	0.000000
(12)	Viola & Richard Holman 91 Bard Cameron Road Rising Sun, MD 21911		0.000583	0.000729	0.000095	0.000000
(13)	Nona & James Schuler 1603 Chrome Road Oxford, PA 19363		0.000583	0.000729	0.000095	0.000000
(14)	Arvil & Irma Reedy 20 Pisquah View Avenue Ashville, NC 28803		0.000583	0.000729	0.000095	0.000000
(15)	Exie Nancy Cox No. 5, Kelly Avenue Bel Air, MD 21014		0.000389	0.000486	0.000064	0.000000
(16)	Lettie Coleman 773 Hickman Drive Melborne, FL 32901		0.000389	0.000486	0.000064	0.000000
(17)	Mary & Theodore Layman 2352 Telegraph Road Rising Sun, MD 21911		0.000389	0.000486	0.000064	0.000000
(18)	Frances Johnson 308 Dodson Drive Rising Sun, MD 21911		0.000389	0.000486	0.000064	0.000000
(19)	June & William Yale 423 Lombard Road Rising Sun, MD 21911		0.000389	0.000486	0.000064	0.000000
(20)	Joan & Charles Brontner 108 Laurel Avenue Thurmont, MD 21788		0.000389	0.000486	0.000064	0.000000
(21)	Curtis & Charlotte Meaders 313 King Street Elkton, MD 21921		0.000389	0.000486	0.000064	0.000000
(22)	Frazier Plaster ADDRESS UNKNOWN		0.000146	0.000182	0.000024	0.000000

	Owner	Mineral Ownership	Net Acres In Unit	Undivided Net Int. In Unit %	Undivided Net Int. In VP8EM1EASTD At 13.088	Interest to be Pooled by VGOB-95/03/21-0493
(23)	Clarence Elkins ADDRESS UNKNOWN		0.003500	0.004375	0.000573	0.000000
(24)	Samuel & Betty Vance 3241 Brunk Akron, OH 44312		0.000269	0.000337	0.000044	0.000000
(25)	Dempsey & Francis Vance Rt. 2 Box 473 North Tazewell, VA 24651		0.000269	0.000337	0.000044	0.000000
(26)	Oscar & Nancy Vance Heirs, Devisees, Successors or Assigns ADDRESS UNKNOWN		0.000269	0.000337	0.000044	0.000000
(27)	Kenneth Whited 17918 128th Trail North Jupiter, FL 33478		0.000146	0.000182	0.000024	0.000000
(28)	Sylvie & Richard Perkins Stafford, VA		0.000146	0.000182	0.000024	0.000000
(29)	Harley Whited ADDRESS UNKNOWN		0.000146	0.000182	0.000024	0.000000
(30)	Lucille & Orle Perkins 483 Sylmar Road Rising Sun, MD 21911		0.000097	0.000122	0.000016	0.000000
(31)	Mary & Jack Jacobsen 8200 S.W. 124th Street Miami, FL 33156		0.000097	0.000122	0.000016	0.000000
(32)	Howard & Shirley Webb P.O. Box 1343 Page, AZ 86040		0.000097	0.000122	0.000016	0.000000
(33)	Kirk L. Webb Rt. 3 Box 804 Spring City, TN 37381		0.000097	0.000122	0.000016	0.000000

VIRGINIA GAS AND OIL BOARD
DOCKET NO. VGOB -95/03/21-0493
EXHIBIT G PAGE 1



VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 7th day of July, 1995 at 2:08 P. M.
Deed Book No. 437 and Page No. 559.
Returned this date to; D.M.M.E. P.O. Box 1416 Lawson, Va
TESTE: [Signature] James M. Bevins, Jr., Clerk
TESTE: [Signature] Deputy Clerk

COMMONWEALTH OF VIRGINIA



71156

(114-3-028 11/94)

OFFICIAL RECEIPT
BUCHANAN COUNTY CIRCUIT COURT
DEED RECEIPT

DATE: 07/07/95 TIME: 14:08:44 ACCOUNT: 027CLR1492 RECEIPT: 9500003356
CASHIER: PL1 REG: BU01 TYPE: POOL PAYMENT: FULL PAYMENT
INSTRUMENT : 1492 BOOK: 0 PAGE: 0 RECORDED: 07/07/95 AT 14:08
GRANTOR NAME : VIRGINIA GAS & OIL BOARD; ETAL EX: N LOCALITY: CO
GRANTEE NAME : RATLIFF, IRA GORDON; ETAL EX: N PERCENT: 100%
AND ADDRESS : P O DRAWER 900 BIG STONE GAP, VA
RECEIVED OF : DEPT MINES MINERALS ENERGY DATE OF DEED: 06/30/95
CHECK : \$26.00
DESCRIPTION 1: FORCED POOLING
2:
CONSIDERATION: .00 ASSUME/VAL: .00 MAP:
CODE DESCRIPTION PAID CODE DESCRIPTION PAID
301 DEEDS 25.00 145 VSLF 1.00

TENDERED : 26.00
AMOUNT PAID: 26.00
CHANGE AMT : .00

FOR DEPOSIT ONLY
BUCHANAN CIRCUIT COURT
CASE : 027CLR1492
CLERK OF COURT: JAMES M. BEVINS JR.

CERTIFICATION OF NOTICE
CONSOL Inc.

VGOB-95-0321-0493

Unit T-17

Recorded Supplemental Order

NAME		MAILED	RECEIPT #		RECEIVED
Big Axe Land Co.	Landon R. Wyatt	11-06-97	P 462 580	354	11-08-97
Agee	Louise & Lester	11-06-97	P 462 580	355	11-12-97
Everett	Phyllis	11-06-97	P 462 580	356	returned
Hawkins	Eleanor & Robert	11-06-97	P 462 580	357	11-10-97
Ratliff	Billy & Geneva	11-06-97	P 462 580	358	11-07-97
Ratliff	Ira Gordon	11-06-97	P 462 580	359	11-07-97



BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

**Application of Consol, Inc.
for Pooling of Interests in the T-17 Drilling Unit,
VGOB Docket No. 95-0321-0493,
in the Garden Magisterial District
of Buchanan County, Virginia**

AFFIDAVIT OF MAILING

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

1. That your affiant is employed by Consol, Inc., as a Permit Specialist, P.O. Box 947, Bluefield, Virginia 24605; that your affiant, as one of his duties, is required to mail notices to persons required to be notified of hearings before and decisions of the Virginia Gas and Oil Board (hereinafter the "Board"); that your affiant receives, reviews and distributes mail addressed to Consol, Inc. at its aforementioned office;

2. That paragraph four (4) of a Supplemental order made in the above-captioned matter effective as of the 2nd day of October, 1997, and recorded in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on the 21st day of October, 1997, in Deed Book 469, Page 200 directed Consol, Inc. to cause a copy of said order to be mailed to the last known address of each well operator listed in said order;

3. That your affiant mailed copies of the order referred to at paragraph "2" above; that annexed hereto and incorporated herein by reference are copies of proofs of mailing showing the parties to whom the copies were mailed and the date of mailing;

Dated at Bluefield, Virginia, this 14th day of November, 1997.

Leslie K. Arrington
Leslie K. Arrington, Affiant

Taken, subscribed and sworn to before me by Leslie K. Arrington, Permit Specialist, this 14th day of November, 1997.

Sherril R. Scott
Notary Public

My commission expires: November 30, 2001

SENDER:
* Complete items 1 and/or 2 for additional services.
* Complete items 3, 4a, and 4b.
* Print your name and address on the reverse of this form so that we can return the extra fee.
* Attach this form to the front of the mailpiece, or on the back if space does not permit.
* Write "Return Receipt Requested" on the mailpiece below the article number.
* The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressed to Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
4f. **P 462 580 354**
4. ☐ Registered ☒ Certified
☐ Registered Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD
7. Date of Delivery **11-8-97**
5. Received By: (Print Name)
6. Signature: (Addressee or Agent)
X [Signature]
PS Form 3811, December 1994 10295-97-8-0179 Domestic Return Receipt

SENDER:
* Complete items 1 and/or 2 for additional services.
* Complete items 3, 4a, and 4b.
* Print your name and address on the reverse of this form so that we can return the extra fee.
* Attach this form to the front of the mailpiece, or on the back if space does not permit.
* Write "Return Receipt Requested" on the mailpiece below the article number.
* The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressed to Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
4a. **P 462 580 355**
4b. ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD
7. Date of Delivery **11-12-97**
5. Received By: (Print Name)
6. Signature: (Addressee or Agent)
X [Signature]
PS Form 3811, December 1994 10295-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Thank you for using Return Receipt Service.

SENDER:
* Complete items 1 and/or 2 for additional services.
* Complete items 3, 4a, and 4b.
* Print your name and address on the reverse of this form so that we can return the extra fee.
* Attach this form to the front of the mailpiece, or on the back if space does not permit.
* Write "Return Receipt Requested" on the mailpiece below the article number.
* The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressed to Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
4a. **P 462 580 357**
4b. ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD
7. Date of Delivery **11-10-97**
5. Received By: (Print Name)
6. Signature: (Addressee or Agent)
X [Signature]
PS Form 3811, December 1994 10295-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:
* Complete items 1 and/or 2 for additional services.
* Complete items 3, 4a, and 4b.
* Print your name and address on the reverse of this form so that we can return the extra fee.
* Attach this form to the front of the mailpiece, or on the back if space does not permit.
* Write "Return Receipt Requested" on the mailpiece below the article number.
* The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressed to Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
4a. **P 462 580 359**
4b. ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD
7. Date of Delivery **11-10-97**
5. Received By: (Print Name)
6. Signature: (Addressee or Agent)
X [Signature]
PS Form 3811, December 1994 10295-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:
* Complete items 1 and/or 2 for additional services.
* Complete items 3, 4a, and 4b.
* Print your name and address on the reverse of this form so that we can return the extra fee.
* Attach this form to the front of the mailpiece, or on the back if space does not permit.
* Write "Return Receipt Requested" on the mailpiece below the article number.
* The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressed to Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
4a. **P 462 580 358**
4b. ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD
7. Date of Delivery **11-10-97**
5. Received By: (Print Name)
6. Signature: (Addressee or Agent)
X [Signature]
PS Form 3811, December 1994 10295-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER:
* Complete items 1 and/or 2 for additional services.
* Complete items 3, 4a, and 4b.
* Print your name and address on the reverse of this form so that we can return the extra fee.
* Attach this form to the front of the mailpiece, or on the back if space does not permit.
* Write "Return Receipt Requested" on the mailpiece below the article number.
* The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressed to Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
4a. **P 462 580 358**
4b. ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD
7. Date of Delivery **11-10-97**
5. Received By: (Print Name)
6. Signature: (Addressee or Agent)
X [Signature]
PS Form 3811, December 1994 10295-97-8-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

CONSOL, Inc.
P.O. Box 947
Bluesfield, VA 24605

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

1. Addressee's Address
2. Restricted Delivery
Consult postmaster for fee.

P 462 580 356

3. Registered ☒ Certified
4. Express Mail ☐ Insured
5. Return Receipt for Merchandise ☐ COD

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

T-17

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if no other label is permitted.
- Write "Return Receipt Requested" on the mailpiece, showing article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:

Phyllis Everette
4472 Dike Road
Manassas, VA 22110

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

PS Form 3811, December 1994

Domestic Return Receipt

PS Form 3800, April 1995

Postage	\$.78
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered to Addressee (Print Name, Address, City, State, ZIP+4)	1.10
TOTAL Postage & Fees	\$ 3.23
Postmark or Date	T-17

P 462 580 356

US Postal Service
Receipt for Certified Mail

Phyllis Everette
4472 Dike Road
Manassas, VA 22110

CERTIFIED

Fold at line over top of envelope to the right of the return address

P 462 580 356

MAIL



Phyllis Everette
4472 Dike Road
Manassas, VA 22110

